



# Health Services

LOS ANGELES COUNTY

January 17, 2012

**Los Angeles County**  
**Board of Supervisors**

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First District

**Mark Ridley-Thomas**  
Second District

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Third District

**Don Knabe**  
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**Michael D. Antonovich**  
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**Mitchell H. Katz, M.D.**  
Director

**Hal F. Yee, Jr., M.D., Ph.D.**  
Chief Medical Officer

**John F. Schunhoff, Ph.D.**  
Chief Deputy Director

**TO:** Supervisor Zev Yaroslavsky, Chairman  
Supervisor Michael D. Antonovich  
Supervisor Don Knabe  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas

**FROM:** *for* Mitchell H. Katz, M.D. *[Signature]*  
Director

**SUBJECT: NOTIFICATION OF USE OF DELEGATED AUTHORITY  
TO EXECUTE AMENDMENT TO PASC-SEIU  
HOMECARE WORKERS HEALTH CARE PLAN GROUP  
BENEFIT AGREEMENT**

This is to advise your Board that the Department of Health Services (DHS) is exercising its delegated authority, approved by your Board on March 29, 2011 and November 8, 2011 (attached) to execute Amendment to Community Health Plan's Homecare Workers Health Care Plan Group Benefit ("IHSS Program") Agreement H-213335 with Personal Assistance Services Council (PASC).

DHS has executed Amendment No. 5 to implement the following actions:

1. Reflect the reduction in the number of authorized hours of service an IHSS Worker must maintain to be eligible for health benefits under the IHSS Program from 80 to 77 hours per month for two (2) consecutive months effective April 1, 2011; and
2. Extend the term of the Agreement, on a month to month basis up to three (3) months through March 31, 2012, to ensure continued coverage for IHSS Workers during the transition of IHSS Program to LA Care Plan.

County Counsel participated in the negotiation process, reviewed the Amendment and has approved it to form. The Chief Executive Office has approved the Amendment.

If you have any questions or require additional information, please let me know.

MHK:JFS:ln

Attachments

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213)240-8101  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.*



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County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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 Tel (562) 908-8400 • Fax (562) 908-0469



PHILIP L. BROWNING  
 Director

SHERYL L. SPILLER  
 Chief Deputy



## ADOPTED

BOARD OF SUPERVISORS  
 COUNTY OF LOS ANGELES

Board of Supervisors

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 Fifth District

March 29, 2011

#16 MARCH 29, 2011

*Sachi A. Hamai*  
 SACHI A. HAMAI  
 EXECUTIVE OFFICER

The Honorable Board of Supervisors  
 County of Los Angeles  
 383 Kenneth Hahn Hall of Administration  
 500 West Temple Street  
 Los Angeles, CA 90012

Dear Supervisors:

**APPROVE A REDUCTION IN THE NUMBER OF ELIGIBILITY WORK HOURS  
 REQUIRED FOR IN-HOME SUPPORTIVE SERVICES HOMECARE WORKERS TO  
 BE ELIGIBLE FOR COMMUNITY HEALTH PLAN BENEFITS  
 (ALL DISTRICTS – 3 VOTES)**

### SUBJECT

Board approval is requested to lower the eligibility criteria for In-Home Supportive Services (IHSS) Homecare Workers to receive Community Health Plan (CHP) benefits under the Personal Assistance Services Council (PASC) – Service Employees International Union (SEIU) Homecare Workers Health Care Plan Agreement effective April 1, 2011.

**JOINT RECOMMENDATION BY THE DIRECTORS OF THE DEPARTMENT OF  
 PUBLIC SOCIAL SERVICES AND THE DEPARTMENT OF HEALTH SERVICES  
 THAT YOUR BOARD:**

1. Approve the reduction in the authorized hours of service from 80 hours per month for two consecutive months to 77 hours per month for two consecutive months for IHSS Homecare Workers to be eligible to CHP benefits under the PASC-SEIU Homecare Workers Health Care Plan Group Benefits Agreement effective April 1, 2011.

*"To Enrich Lives Through Effective And Caring Service"*



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2. Authorize and delegate authority to the Director of the Department of Public Social Services (DPSS), or his designee, to instruct the PASC to negotiate and amend the PASC-SEIU Homecare Workers Health Care Plan Agreement to reflect the reduction of authorized hours of service from 80 hours per month for two consecutive months to 77 hours per month for two consecutive months effective April 1, 2011.
3. Authorize and delegate authority to the Director of the Department of Health Services (DHS), or his designee, to amend their PASC-SEIU Homecare Workers Health Care Plan Group Benefit Agreement with the PASC, Contract Number H-213335, to reflect the reduction in the authorized service hours from 80 hours per month for two consecutive months to 77 hours per month for two consecutive months effective April 1, 2011.
4. In the event the State restores IHSS recipient's total authorized hours by 3.6 percent, (a) approve the increase in the authorized hours of service from 77 hours per month for two consecutive months to 80 hours per month for two consecutive months for IHSS Homecare Workers to be eligible to CHP benefits under the PASC-SEIU Homecare Workers Health Care Plan Group Benefits Agreement, (b) authorize and delegate authority to the Director of DPSS, or his designee, to instruct the PASC to negotiate and amend the PASC-SEIU Homecare Workers Health Care Plan Agreement to reflect the increase of authorized hours of service from 77 hours per month for two consecutive months to 80 hours per month for two consecutive months, and (c) authorize and delegate authority to the Director of DHS, or his designee, to amend their PASC-SEIU Homecare Workers Health Care Plan Group Benefit Agreement with the PASC, Contract Number H-213335, to reflect the increase in the authorized service hours from 77 hours per month for two consecutive months to 80 hours per month for two consecutive months.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On June 8, 2004, your Board approved the eligibility criteria for authorized hours of service as 80 hours per month for two consecutive months for IHSS Homecare Workers to qualify for CHP benefits under the PASC-SEIU Health Care Plan. CHP is a health maintenance organization licensed as a full service, health care service plan under the California Knox-Keene Health Services Plan Act of 1975. Should the IHSS Homecare Workers' authorized hours of service fall below the eligibility criteria, they continue to remain eligible for two additional months of CHP benefits before becoming ineligible. All other criteria for eligibility remains the same.

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Effective February 1, 2011, Assembly Bill (AB) 1612 (Chapter 725, Statutes of 2010) added Section 12301.06 to the Welfare and Institutions Code requiring the California Department of Social Services to reduce every IHSS recipient's total authorized hours by 3.6 percent. This reduction directly impacts the IHSS Homecare Workers' total number of authorized hours of service and results in a disqualification for CHP benefits under the PASC-SEIU Health Care Plan for those providing between 80 and 82 hours per month of authorized hours of service as of January 2011.

On February 20, 2011, PASC notified approximately 1,710 IHSS Homecare Workers who will fall below the eligibility criteria that due to their reduction of authorized hours of service worked, their CHP benefits under the PASC-SEIU Health Care Plan would end March 31, 2011.

By reducing the authorized hours of service per month from 80 to 77 per month for two consecutive months, approximately 1,710 current IHSS Homecare Workers will retain their CHP benefits under the PASC-SEIU Health Care Plan. Additionally, providers who would have qualified in the future based on 80-82 hours of service per month, absent the 3.6 percent reduction in authorized hours, will qualify based on 77-79 service hours per month.

#### Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan, Goal 2, Children, Family, and Well-Being: Enhance economic and social outcomes through integrated, cost-effective, and client centered supportive services, Strategy 2, Information Sharing: Promote information sharing and strategic planning between clusters, departments and agencies to create more accessible and cost effective service delivery, and Strategy 3, Cost Avoidance: Increase cost avoidance and improved service outcomes through improved administrative efficiency and management.

#### FISCAL IMPACT/FINANCING

Funding allocated for the CHP and its PASC administrative cost under the PASC-SEIU Health Care Plan in the DPSS FY 2010-11 budget is \$115.7 million. The current monthly CHP premium payment for each IHSS Homecare Worker enrolled under the PASC-SEIU Health Care Plan is supplemented by federal, State and County participation. There is no fiscal impact associated with the reduction in the eligibility criteria in authorized hours of service from 80 to 77 hours since the current FY budget includes funding for the health benefits of the 1,710 IHSS Homecare Workers that will retain their CHP benefits if the eligibility criteria in authorized hours of service is reduced.



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#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

As of December 1, 2010, 85,500 IHSS Homecare Workers qualified for CHP benefits under the PASC-SEIU Health Care Plan, but only 37,500 were enrolled. A significant reason for not enrolling in CHP benefits under the PASC-SEIU Health Care Plan includes having other medical coverage, such as Medi-Cal or spousal benefits.

Due to AB 1612, of the 37,500 enrolled IHSS Homecare Workers, an estimated 1,710 IHSS Homecare Workers will lose their CHP benefits under the PASC-SEIU Health Care Plan effective April 1, 2011.

The Board established the eligibility criteria for the CHP benefits under the PASC-SEIU Health Care Plan. Lowering the IHSS Homecare Workers' required eligibility criteria of authorized hours of service from 80 hours per month for two consecutive months to 77 hours per month for two consecutive months would allow 1,710 current IHSS Homecare Workers to continue receiving health benefits. This change requires Board approval.

#### **IMPACT ON CURRENT SERVICES**

The recommended actions would help to maintain the IHSS Homecare workforce affected by the 3.6 percent reduction in authorized work hours who might otherwise leave the IHSS program for lack of affordable health care plan, and would avert replacement of the IHSS Homecare Worker providing services to the IHSS consumer.

The Honorable Board of Supervisors  
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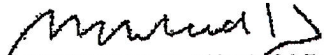
**CONCLUSION**

Upon Board approval, the Executive Office, Board of Supervisors, is requested to return one adopted stamped Board Letter to DPSS and one adopted stamped Board Letter to DHS.

Respectfully submitted,



PHILIP L. BROWNING  
Director



MITCHELL H. KATZ, M.D.  
Director

PLB:MHK:tml

cc: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Personal Assistance Services Council





**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

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residents through direct services at  
DHS facilities and through  
collaboration with community and  
university partners.*



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November 8, 2011

REVISED

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION FOR DELEGATED AUTHORITY TO EXECUTE  
AGREEMENTS, AMENDMENTS AND CONTRACT  
ASSIGNMENTS/DELEGATIONS AND RATIFY TERMINATION  
NOTICES UNDER AGREEMENTS WITH THE PERSONAL  
ASSISTANCE SERVICES COUNCIL, L.A. CARE HEALTH PLAN  
AND COMMUNITY HEALTH PLAN PROVIDERS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT:**

Request delegated authority for contractual actions necessary to transfer the In-Home Supportive Services (IHSS) Health Care Plan product line to L.A. Care, as the next stage of the policy direction approved by your Board to transition the Community Health Plan (CHP) staff to serve as the Medical Service Organization (MSO) function for the Department of Health Services (DHS), concentrate DHS resources on being the key provider of health care for Medi-Cal and uninsured populations in Los Angeles County, and transition all lines of business from the CHP to L.A. Care Health Plan (L.A. Care) to assume all health plan functions.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate authority to the Director of Health Services, or his designee, to execute amendments to existing provider agreements or to execute new provider agreements with L.A. Care, to include In-Home Supportive Services (IHSS) enrollees, effective January February 1, 2012, subject to review and

approval by County Counsel and notification to your Board and the Chief Executive Office (CEO).

2. Delegate authority to the ~~Interim~~ Acting Director of Public Social Services, or her designee, to execute an amendment to Agreement No. 72426 between Los Angeles County and the Los Angeles County Personal Assistance Services Council (PASC) to adjust the agreement as necessary to effect the transition of the IHSS Health Plan enrollees from CHP to L.A. Care, effective ~~January~~ February 1, 2012, subject to review and approval by County Counsel and notification to your Board and the CEO.
3. Delegate authority to the ~~Interim~~ Acting Director of Public Social Services, or her designee, to execute an Agreement with L.A. Care to serve as the fiscal intermediary for the PASC in making the capitation payments on their behalf, consistent with an agreement between the PASC and L.A. Care for the IHSS Health Plan, effective ~~January~~ February 1, 2012, and consistent with the provisions of Agreement No. 72426 between the County and the PASC related to the IHSS Health Plan, subject to review and approval by County Counsel and notification to your Board and the CEO. Further, authorize the Acting Director of Public Social Services the discretion to approve modifications to the standard terms and conditions of the County's contract in order to reach an agreement with LA Care for these services contingent upon providing a memo to the Board explaining those changes ten days prior to execution.
4. Delegate authority to the Director of Health Services, or his designee, to give appropriate notices and provide necessary regulatory filings to the California Department of Managed Health Care, as needed to transition the CHP enrollees in the IHSS Health Plan to L.A. Care, effective ~~January~~ February 1, 2012.
5. Delegate authority to the Director of Health Services, or his designee, to execute Amendments and contract assignments/delegations to L.A. Care, and ratify required termination notices, under CHP agreements with health care providers (e.g. physician groups and hospitals) for IHSS enrollees to transition the CHP enrollees in the IHSS Health Plan to L.A. Care, with varying effective dates necessary to transition enrollees effective ~~January~~ February 1, 2012, subject to review and approval by County Counsel and notification to your Board and the CEO.
6. Delegate authority to the Director of Health Services, or his designee, to amend Agreement No. H-213355 between the CHP and the PASC, to extend the term, currently expiring on December 31, 2011, on a month to month basis for up to three months, only if needed to ensure continued coverage for IHSS Health Plan



enrollees during the transition of the IHSS Health Plan from CHP to L.A. Care;  
and

7. Delegate authority to the Director of Health Services, or his designee, to enter into one or more Letters of Agreement (LOAs) to continue or otherwise provide necessary treatment of IHSS enrollees to provide those unique health care services not offered by DHS to ensure patient continuity of care, with reimbursement at or near market rates, subject to review and approval by County Counsel.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On March 1, 2011, your Board approved a recommendation to negotiate and execute Medi-Cal Managed Care provider agreements with L.A. Care for Seniors and Persons with Disabilities (SPDs), effective March 1, 2011 through September 30, 2014, upon review and approval by County Counsel and the CEO, and with notice to your Board. Two provider agreements were negotiated and executed, effective May 1, 2011 (one agreement for physician services and agreement for hospital services).

On March 29, 2011, your Board approved my policy recommendation that DHS transition the CHP staff to serve as the MSO for DHS, concentrate DHS resources on being the key provider of health care for Medi-Cal and uninsured populations in Los Angeles County, and transition all lines of business from the CHP to L.A. Care to assume all health plan functions, such transition occurring gradually, over the subsequent year.

Since the completion of the SPD provider agreements, the County negotiating team (composed of representatives from CEO, DHS and County Counsel) has conducted regular weekly meetings with L.A. Care, concentrating on the implementation of the provider agreements for the SPDs, the coordination of behavioral health benefits, and negotiations for the other CHP product lines, including IHSS, with a target of transitioning these lines by the end of 2011.

On July 26, 2011, your Board approved delegated authority for contractual actions necessary to transition the Medi-Cal Managed Care and Healthy Families enrollees from CHP to L.A. Care, with the transition scheduled for January 1, 2012, and September 30, 2012, respectively.

Delegated authority for contractual actions necessary to transition the IHSS enrollees is contained in this separate Board letter because it has the added complexity of agreements with the PASC.

The IHSS Health Plan is currently structured and organized through a complex set of inter-related agreements and Memoranda of Understanding (MOUs) and financial transactions. These include: 1) an Agreement between the County (DPSS) and the PASC related to among other provisions, financing of IHSS provider wages and benefits; 2) an Agreement between the PASC and the County (DHS/CHP) related to the IHSS Health Plan benefits; 3) an MOU between DPSS and DHS related to the financing of the IHSS Health Plan benefits and the capitation payments; 4) DHS/CHP agreements with several non-County providers, and 5) a MOU between the PASC and Service Employees International Union (SEIU) related to the health plan benefits.

Transition of the IHSS enrollees will involve:

1. Amendment of the existing provider agreements or new provider agreements with L.A. Care to include the IHSS enrollees.
2. Replacement of the PASC/County (DHS/CHP) agreement with an Agreement between the PASC and L.A. Care and an Agreement between DPSS and L.A. Care.
3. Ratification of notice of contract termination or assignment/delegation of CHP sub-contracted providers and other contractors, as needed.
4. Amendments to the County (DPSS)/PASC Agreement and the PASC/SEIU MOU to reflect the transition from CHP to L.A. Care.
5. Filings with the California Department of Managed Health Care for the transfer; and
6. Amendment of the DHS/DPSS MOU.

In addition, the terms of an agreement have been negotiated, which will serve as the long-term framework of the financial relationship between L.A. Care and the County as the key safety net provider in the County. This agreement, which is recommended in a separate Board letter, includes the ongoing use of cost-savings from the transition of all health plan functions from DHS (CHP) to L.A. Care to support the County safety net system.

~~In the event the transition date of January 1, 2012, of IHSS to L.A. Care must be extended due to issues related to regulatory filings and compliance, or for other unforeseen issues, DHS is seeking delegated authority to extend the existing agreement between DHS and the PASC beyond the December 31, 2011, expiration date for up to three months. This will accommodate the planned date of February 1, 2012 for transition of IHSS to L.A. Care. In addition, this will allow any transition time~~



necessary due to issues related to regulatory filings and compliance, or for other unforeseen issues.

Finally, DHS is also seeking authority to enter into LOAs to provide those limited and specialized necessary medical services to IHSS enrollees that are not offered by DHS.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total cost of the current IHSS Health Plan is budgeted by DPSS at \$122.1 million for 2011-12, offset by \$60.2 million in Federal revenue, \$40.2 million in State revenue, and \$21.7 million in net County cost, which is provided to DPSS as an Intrafund transfer by DHS. The budgeted costs and revenues for the IHSS Health Plan are not expected to change as a result of these recommendations. However, there are potential net benefits to the County as a result of this transition, as reflected in the long-term financial agreement between the County and L.A. Care, as presented in a separate Board letter for consideration by your Board.

The recommended agreements will continue to provide health coverage for approximately 39,000 IHSS workers primarily at DHS facilities and maintain the revenues DHS receives to provide services to this population.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Transition of each of the CHP product lines to L.A. Care requires a different set of contractual notifications, amendments, and terminations. This Board Letter contains all of the actions necessary to transition the IHSS enrollees.

Guiding principles for these negotiations included, among others: a smooth and seamless transition for IHSS homecare workers enrolled in this program will be a top priority; transition does not impact the eligibility requirements for IHSS workers to receive healthcare coverage, nor does this impact the role of the PASC as the IHSS workers' employer of record; the benefit package should remain substantially similar and the health provider network will continue to be comprised mainly of County DHS providers and will include private providers only as needed to remain compliant with all applicable regulations; health care reimbursement to DHS and private providers should not decrease as a result of the transition; the administrative costs for the program should not increase as a result of the transition; and any cost savings associated with

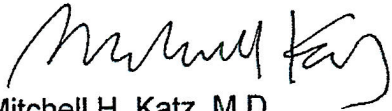
The Honorable Board of Supervisors  
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the health plan administering the program will be reinvested in projects that support the DHS provider network.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Successful implementation of these agreements, consistent with the policy recommendations approved by the Board on March 31, 2011, is part of the overall restructuring of DHS ambulatory care, as part of DHS' plan to reallocate resources and attention (e.g. to have CHP staff focus solely on performing the MSO function for DHS providers) to meet the needs under the 1115 Waiver.

Respectfully submitted,



Mitchell H. Katz, M.D.  
Director

MHK:JFS:jp

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Auditor-Controller  
Public Social Services